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Proposed Attorneys for the Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
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1141 REALTY OWNER LLC : Case No. 18-12341 (SMB)
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Debtor.¹ : Joint Administration Requested
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In re: : Chapter 11
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FLATIRONHOTEL OPERATIONS LLC : Case No. 18-12342 (SMB)
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Debtor. : Joint Administration Requested
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**DEBTORS' MOTION FOR ENTRY OF AN ORDER PURSUANT
TO RULE 1015(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE
DIRECTING JOINT ADMINISTRATION OF THE CHAPTER 11 CASES**

1141 Realty Owner LLC (“Owner”) and Flatironhotel Operations LLC (“Operator”) the debtors and debtors-in-possession (each a “Debtor” and collectively the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), by and through their undersigned proposed

¹ The Debtors herein and the last four digits of their respective tax identification number are: 1141 Realty Owner LLC (1804) and Flatironhotel Operations LLC (4773). The Debtors’ principal place of business is 9 West 26th Street a/k/a 1141 Broadway, New York, New York.

counsel, hereby move (the “Motion”) for entry of an order in substantially the form annexed hereto as Exhibit A authorizing the joint administration of these Bankruptcy Cases for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. In support of the Motion, the Debtors rely upon the First Day Declaration (defined below), and respectfully represent as follows:

JURISDICTION, VENUE, AND STATUTORY PREDICATE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.

The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

GENERAL BACKGROUND

4. On the date hereof (the “Petition Date”), the Debtors each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their respective businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

5. The Court and interested parties are respectfully referred to the Declaration of James Katchadurian Pursuant to Local Bankruptcy Rules 1007-2 and 9007-1 (the “First Day Declaration”) ² for a detailed description of the Debtors’ businesses and events leading to the commencement of the Chapter 11 Cases.

² Capitalized terms not defined herein shall have the meaning ascribed to them in the First Day Declaration.

6. The United States Trustee has not appointed an official creditors' committee in the Chapter 11 Cases. No trustee or examiner has been appointed in the Chapter 11 Cases.

RELIEF REQUESTED

7. Pursuant to Bankruptcy Rule 1015(b), the Debtors seek entry of an order directing joint administration of the Bankruptcy Cases for procedural purposes only. Bankruptcy Rule 1015(b) provides, in relevant part, that “[i]f . . . two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.” Fed. R. Bankr. P. 1015(b). The Debtors are “affiliates” as that term is defined in section 101(2) of the Bankruptcy Code. See 11 U.S.C. § 101(2). Accordingly, the Court is authorized to grant the relief requested herein.

BASIS FOR RELIEF

8. The joint administration of these Bankruptcy Cases is in the best interests of the Debtors, their creditors, and all parties-in-interest. Absent entry of an order directing joint administration of these Bankruptcy Cases, day-to-day administration would require duplicative notices, applications and orders. Joint administration eliminates these issues, thereby saving the Debtors' estates significant time and expense. Not only will joint administration provide a definite and tangible benefit to the estates, but it will not harm the rights of creditors, because this Motion requests only administrative, and not substantive, consolidation of the estates. Additionally, (a) the Court would be relieved of the burden of entering duplicative orders and maintaining duplicative dockets and files, and (b) the United States Trustee for Southern District of New York's (the “U.S. Trustee”) supervision of the administrative aspects of the Bankruptcy Cases would be simplified.

9. Joint administration of interrelated chapter 11 cases is routinely approved by courts in this district under similar circumstances and is generally non-controversial. See, e.g., In re NII

Holdings, Inc., No. 14-12611 (SCC) (Bankr. S.D.N.Y. Sep. 16, 2014); In re Genco Shipping & Trading Limited, et al., No. 14-11108 (SHL) (Bankr. S.D.N.Y. Apr. 23, 2014); In re Legend Parent, Inc., No. 14-10701 (REG) (Bankr. S.D.N.Y. Mar. 21, 2014); In re Sbarro LLC, No. 14-10577 (MG) (Bankr. S.D.N.Y. Mar. 12, 2014).

10. Accordingly, the Debtors request that the Clerk of the United States Bankruptcy Court for the Southern District of New York (the “Clerk of the Court”) maintain one file and one docket for the two jointly administered cases under the case number of 1141 Realty Owner LLC and that the Clerk of the Court administer the cases under a consolidated caption, as follows:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
:
1141 REALTY OWNER LLC, et al. : Case No. 18-12341 (SMB)
:
Debtors. : Jointly Administered
:
----- X

11. All pleadings filed and each notice mailed by the Debtors will include a footnote listing the Debtors and the last four digits of their tax identification numbers. Moreover, the full tax identification numbers and previous names, if any, will be listed in the petition for each Debtor. Such petitions are publicly available to all parties and will be provided by the Debtors upon request. Therefore, the Debtors submit that the policies behind the requirements for bankruptcy captions governed by Bankruptcy Rule 2002(n) have been satisfied.

12. The Debtors also request that a docket entry, substantially similar to the following, be entered on the docket of Flatiron Hotel Operations LLC:

An Order has been entered in this case directing the procedural consolidation and joint administration of the

Chapter 11 Cases of 1141 Realty Owner LLC and Flatiron hotel Operations LLC. The docket in Bankruptcy Case No. 18-12341 should be consulted for all matters affecting these cases.

13. The Debtors will file consolidated monthly operating reports, but will separately set forth disbursements for each Debtor as a schedule to the extent required by the *United States Trustee Operating Guidelines*, with said reports to be filed in the lead case, rather than in each of the Debtor's individual cases.

14. Finally, for purposes of efficiency and in order to streamline notice of all matters that may affect creditors of any of the Debtors, the Debtors request authority to file a single consolidated list of creditors in each of the Bankruptcy Cases.

NOTICE

15. No trustee, examiner or creditors' committee has been appointed in these Chapter 11 Cases. Notice of this Motion will be given to: (a) the Office of the U.S. Trustee; (b) known secured claim holders; and (c) the holders of the 25 largest unsecured claims. The Debtors submit that, under the circumstances, no other or further notice is required.

NO PRIOR REQUEST

16. No previous request for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order granting the relief requested and such other or further relief as is just and proper.

Dated: New York, New York
July 31, 2018

KLESTADT WINTERS JURELLER
SOUTHARD & STEVENS, LLP

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*Proposed Attorneys for the Debtors and
Debtors-in-Possession*

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
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1141 REALTY OWNER LLC : Case No. 18-12341 (SMB)
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Debtor.¹ : Joint Administration Requested
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In re: : Chapter 11
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FLATIRON HOTEL OPERATIONS LLC : Case No. 18-12342 (SMB)
:
Debtor. : Joint Administration Requested
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**ORDER PURSUANT TO RULE 1015(b) OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE
DIRECTING JOINT ADMINISTRATION OF CHAPTER 11 CASES**

Upon the motion (the “Motion”)² of 1141 Realty Owner LLC (“Owner”) and Flatiron Hotel Operations LLC (“Operator”), as chapter 11 debtors and debtors in possession (each a “Debtor” and collectively the “Debtors”) in the above captioned chapter 11 cases (the “Chapter 11 Cases”), for entry of an Order directing joint administration of the Bankruptcy Cases; and the Court having subject matter jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and the Motion being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and no other or further notice need be provided; and the relief

¹ The Debtors herein and the last four digits of their respective tax identification number are: 1141 Realty Owner LLC (1804) and Flatironhotel Operations LLC (4773). The Debtors’ principal place of business is 9 West 26th Street a/k/a 1141 Broadway, New York, New York.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and the First Day Declaration, and having heard the statements in support of the relief requested therein at a hearing before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion, the First Day Declaration, and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The above-captioned Bankruptcy Cases are consolidated for procedural purposes only and shall be jointly administered by this Court in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.
3. The Clerk of the Court shall maintain one file and one docket for the Bankruptcy Cases, which file and docket shall be the file and docket for the chapter 11 case of 1141 Realty Owner LLC, Case No. 18-12341. The caption of the jointly administered cases is to read as follows:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: Case No. 18-12341 (SMB)
1141 REALTY OWNER, et al., :
: Jointly Administered
Debtors. :
-----X

4. All pleadings shall be filed in the captioned case listed in the paragraph above.
5. A docket entry shall be entered on the docket of Flatiron to reflect the joint administration of the Bankruptcy Cases in substantially the following form:

An Order has been entered in this case directing the procedural consolidation and joint administration of the Chapter 11 Cases of 1141 Realty Owner LLC and Flatiron Hotel Operations LLC. The docket in Bankruptcy Case No. 18-12341 should be consulted for all matters affecting these cases.

6. The Debtors may file a single monthly operating report as required by the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees*, issued by the Executive Office of the United States Trustees (rev. 12/14/17) for the jointly administered Debtors. However, the monthly operating report shall be filed on a consolidating (not consolidated) basis. The report shall contain on a consolidating basis the information required for each debtor that tracks and breaks out all of the specific information, e.g. receipts, disbursements, profit and loss statement, balance sheets and other required information on a debtor-by-debtor basis.

7. The Debtors are authorized to file a single consolidated list of creditors in each of the Bankruptcy Cases.

8. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effecting a substantive consolidation of the estates in these Chapter 11 Cases.

9. The Debtors and the Clerk of the Court are authorized to take all actions necessary to effectuate the relief granted pursuant to this order in accordance with the Motion.

10. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
_____, 2018

UNITED STATES BANKRUPTCY JUDGE